

Message Text

CONFIDENTIAL

PAGE 01 STATE 045713

11

ORIGIN PM-03

INFO OCT-01 ARA-06 ISO-00 DODE-00 OMB-01 TRSE-00 EB-07

CIAE-00 INR-07 NSAE-00 MC-02 ACDA-05 COME-00 AID-05

IGA-01 /038 R

DRAFTED BY PM/SAS:GSWEANY/RS
APPROVED BY PM/SAS - MR. LADD
ARA/CEN - MR. CLARE (DRAFT)
ARA/PLC - MR. WILLIAMS (DRAFT)
DOD/DSAA - MR. BILLINGS (DRAFT)
OMB - MR. COLBERG (DRAFT)
TREASURY - MR. CROSSWHITE (DRAFT)

----- 110946

R 282010Z FEB 75

FM SECSTATE WASHDC

TO AMEMBASSY GUATEMALA

C O N F I D E N T I A L STATE 045713

E.O. 11652:GDS

TAGS:MASS, GT, US

SUBJECT: GUATEMALAN PURCHASE OF COASTAL PATROL BOATS

REF: GUATEMALA 1034 (242230Z FEB 75)

1. IN VIEW OF PRIOR REPORTS INDICATING LITTLE GOG INTEREST IN IMMEDIATE AND MAJOR ACQUISITION OF PATROL BOATS, DEPARTMENT SURPRISED AT SIZE OF GUATEMALAN PLANNED PURCHASE. DEPARTMENT ALSO SURPRISED THAT COMMERCIAL DEAL OF THIS MAGNITUDE WAS SIGNED WITHOUT CONSULTATION WITH EMBASSY.

2. DUE TO WORLD-WIDE SCARCITY OF FY 75 FMS CREDIT, IT WILL NOT BE POSSIBLE TO PROVIDE SUFFICIENT CREDIT TO FINANCE DOLS 2.5 MILLION PATROL BOAT AND ASSOCIATED WEAPONS PURCHASES (SUMMARIZED REFTEL) IN ADDITION TO PURCHASES ALREADY PLANNED BY GOG AND TAKEN INTO ACCOUNT IN FY 1975-76 CASP. AS YOU KNOW, WE REQUESTED CONGRESS TO PROVIDE DOLS 1 MILLION
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 045713

IN FY 75 FMS CREDIT TO GOG. RESPONSIVE TO 1974 IG DECISION

WE HAVE TENTATIVELY RAISED FY 75 PLANNING FIGURE ONLY TO IG-
ENDORSED LEVEL OF DOLS 2.3 MILLION ON BASIS OF PLANNED PUR-
CHASE OF M-42A1'S, C-47 R AND R, AND SHORTFALLS IN FY 74
MAP-M. WE WOULD NOT EXPECT THIS LEVEL TO BE MAINTAINED
IN FUTURE YEARS, BUT WE ARE OPTIMISTIC THAT THIS FY 75
LEVEL WILL BE CONFIRMED AFTER APPROPRIATION BILL IS SIGNED.
AT PRESENT, WE ARE UNABLE TO COMMIT USG TO SPECIFIC FY 75
FMS CREDIT LEVEL, AND WE WILL BE UNABLE TO DO SO UNTIL

APPROPRIATION BILL IS SIGNED AND CREDIT HAS BEEN ALLOCATED
TO INDIVIDUAL RECIPIENTS. THIS WILL ALMOST CERTAINLY NOT
OCCUR BEFORE APRIL 5, 1975, DATE ON WHICH REFERENCE RE-
PORTS PATROL BOAT CONTRACT FIRST PAYMENT DUE.

3. IN THIS SITUATION GOG APPARENTLY HAS FOLLOWING OPTIONS:

A. PERFORM ON PATROL BOAT CONTRACT WITHOUT FMS CREDIT FI-
NANCING, AND SEEK COMMERCIAL FINANCING IF NECESSARY.

B. FORMALLY REQUEST USG NOW TO APPROVE USE OF ALL OR PART
OF PRIOR YEAR FMS CREDIT FOR APPLICATION TO PATROL BOAT
PURCHASE. GOG HAS FOLLOWING UNUSED PRIOR YEAR CREDIT
WHICH USG EXTENDED FOR OTHER PURPOSES ON BASIS OF INTER-
AGENCY REVIEW: FY 1969 DOLS 40 THOUSAND; FY 1971 DOLS 71
THOUSAND. WASHINGTON AGENCIES WOULD CONSIDER ON URGENT
BASIS APPROVAL OF REQUESTED CHANGE IN PURPOSE OF CREDITS
IF GOG SHOULD REQUEST THIS.

C. DELAY PERFORMANCE OF PATROL BOAT CONTRACT UNTIL FY 75
FMS CREDIT HAS BEEN EXTENDED AND APPLY ALL OR PART OF ANY
FY 75 FMS CREDIT TO PATROL BOAT PURCHASES. THIS WOULD
ALSO NECESSITATE FORMAL GOG REQUEST TO USG FOR APPROVAL OF
USES FOR FMS CREDIT AT APPROPRIATE TIME.

D. COMBINATION OF OPTIONS B AND C.

E. DELAY ACQUISITION OF PATROL BOATS FOR A YEAR OR TWO
AND, IF NECESSARY, REQUEST FMS CREDITS IN FUTURE YEARS FOR
PATROL BOAT PURCHASES.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 045713

4. IN ANY CASE, EMBASSY SHOULD MAKE CLEAR TO GOG THAT USG
APPROVAL FOR USE OF FY 75 AND/OR PRIOR YEAR CREDITS TO-
WARD PAYMENT OF THIS ACQUISITION WOULD IMPLY NO USG COM-
MITMENT TO FUND BALANCE OF PATROL BOAT PURCHASES IN FU-
TURE YEARS, THOUGH WE WOULD EXPECT GUATEMALA TO BE AMONG
THOSE COUNTRIES WHICH WOULD REMAIN ELIGIBLE TO RECEIVE
CREDITS IF APPROPRIATED IN FUTURE YEARS. EMBASSY ALSO
SHOULD STRESS THAT USE OF FMS CREDIT FOR PATROL CRAFT PUR-

CHASE WOULD PRECLUDE USE OF FY 75 CREDITS FOR PROGRAMMED
ITEMS, AS EXPLAINED PARA 2.

"

5. GUATEMALAN MILITARY ATTACHE IN WASHINGTON HAS INFORM-
ALLY ALERTED DOD TO GOG FMS CREDIT DESIRES AND HAS PROVIDED
COPY OF PATROL BOAT CONTRACT. GUATEMALAN EMBASSY HAS
MADE NO FORMAL REQUEST, NEITHER FOR INCREASED FY 75 CREDIT
NOR FOR APPROVAL OF CHANGE IN PURPOSE OF FY 75 OR PRIOR
YEAR CREDITS. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FUND ALLOTMENT, SHIPS, MILITARY PROCUREMENT, MILITARY ASSISTANCE PROGRAMS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE045713
Document Source: CORE
Document Unique ID: 00
Drafter: GSWEANY/RS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750073-0245
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975022/aaaaaazw.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 GUATEMALA 1034, 75 (242230Z, 75 FEB 7
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2003 by BoyleJA>; APPROVED <06 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GUATEMALAN PURCHASE OF COASTAL PATROL BOATS
TAGS: MASS, GT, US, HALTER MARINE SERVICES INC
To: GUATEMALA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006